

Item # \_\_\_\_\_

PREPARED BY BRENDA GREENE

COMMISSIONER JOE FORD

APPROVED BY \_\_\_\_\_

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**A RESOLUTION APPROVING CONTRACT IN THE AMOUNT OF \$14,000,000.00 WITH MEDCO HEALTH SOLUTIONS, INC. FOR PRESCRIPTION DRUG SERVICES FOR ACTIVE EMPLOYEES AND PRE-65 RETIREES AND THIS ITEM REQUIRES EXPENDITURE OF GROUP HEALTH INSURANCE FUNDS IN THE AMOUNT OF \$11,000,000.00 AND OTHER POST EMPLOYMENT BENEFITS (OPEB) TRUST FUNDS IN THE AMOUNT OF \$3,000,000.00. SPONSORED BY COMMISSIONER JOE FORD.**

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**WHEREAS, Shelby County Government (hereinafter referred to as "County") provides prescription drug coverage through its pharmacy benefit manager, Express Scripts, Inc., for active employees, pre-65 retirees and their dependents; and**

**WHEREAS, The County solicited written proposals from qualified pharmacy benefit managers to provide such coverage, RFP No. 07-001-38 dated January 02, 2007, Shelby County Government, Pharmacy Benefit Manager (PBM); and**

**WHEREAS, The County received several proposals from PBMs to provide such services; and**

**WHEREAS, Medco Health Solutions, Inc. submitted a proposal to provide prescription drug services for active employees and pre-65 retirees; and**

**WHEREAS, Medco Health Solutions will be the PBM for County's In Network (HMO) and Preferred Provider Organization (PPO) medical plan options; and**

**WHEREAS, The contract with Medco Health Solutions will commence effective July 01, 2008 upon execution and continue through June 30, 2011, and may be renewed for two (2) additional one (1) year periods upon mutual agreement of the parties.**

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, That the contract with Medco Health Solutions, Inc. is hereby approved.**

**BE IT FURTHER RESOLVED, THAT the Mayor be and is hereby authorized to execute said contract on behalf of Shelby County Government, copies of which are on file in the Contract Administration Department.**

**BE IT FURTHER RESOLVED, THAT \$11,000,000.00 be appropriated from the County's Group Health Insurance Fund and \$3,000,000.00 from the Other Post Employment Benefits (OPEB) Trust Fund, Account Nos. 963-930101-6401 and 984-930105-6401.**

**BE IT FURTHER RESOLVED, THAT the Purchasing Department is hereby authorized to issue purchase orders to Medco Health Solutions, Inc., for services provided under this contract for the duration of said contract, subject to availability of funds in the County's Health Insurance Fund and OPEB Trust Fund.**

**BE IT FURTHER RESOLVED, That the County Mayor and the Director of Administration and Finance are authorized to issue their warrant or warrants in amounts not to exceed \$14,000,000.00 for purposes contained in this resolution to Medco Health Solutions, Inc., and to take proper credit in their accounting therefor.**

\_\_\_\_\_  
**A C Wharton, Jr.**  
**Shelby County Mayor**

**DATE** \_\_\_\_\_

**ATTEST:**  
\_\_\_\_\_  
**Clerk of County Commission**

**ADOPTED** \_\_\_\_\_

## **SUMMARY SHEET**

### **I. Description of Items**

**A RESOLUTION APPROVING CONTRACT IN THE AMOUNT OF \$ 14,000,000.00 WITH MEDCO HEALTH SOLUTIONS, INC. FOR PRESCRIPTION DRUG SERVICES FOR ACTIVE EMPLOYEES AND PRE-65 RETIREES.**

### **II. Source and Funding**

County's Group Health Insurance Fund 963-930101-6401 \$11,000,000.00

Other Post Employment Benefits Trust Fund- 984-930105-6401 \$3,000,000.00

### **III. Contract Items**

A. Type of Contract – Professional Services

B. Terms – Effective July 1, 2008 – June 30, 2011 with two (2) additional one (1) year renewals.

### **IV. Additional Information Relevant to Approval of this Item**

**The Administration recommends approval of this Resolution.**

Medco Health Solutions will administer prescription drugs benefits for County's HMO and PPO medical programs for active employees and pre-65 retirees.

To Permanent Rules of Order of the Board of County Commissioners of Shelby County,  
Tennessee

SHELBY COUNTY BOARD OF COMMISSIONERS  
AGENDA ROUTE SHEET

Referred to Commission Committee (name) \_\_\_\_\_

For Commission Action on (date) March 17, 2008

A RESOLUTION APPROVING CONTRACT IN THE AMOUNT OF \$14,000,000.00 WITH MEDCO HEALTH SOLUTIONS, INC. FOR PRESCRIPTION DRUG SERVICES FOR ACTIVE EMPLOYEES AND PRE-65 RETIREES AND THIS ITEM REQUIRES EXPENDITURE OF GROUP HEALTH INSURANCE FUNDS IN THE AMOUNT OF \$11,000,000.00 AND OTHER POST EMPLOYMENT BENEFITS( OPEB) TRUST FUNDS IN THE AMOUNT OF \$3,000,000.00. SPONSORED BY COMMISSIONER JOE FORD.

CHECK ALL THAT APPLY BELOW:

\_\_\_\_\_ This Action does NOT require expenditure of funds.

X This Item requires/approves expenditure of funds as follows (complete all that apply):

County General Funds: \$ \_\_\_\_\_; County CIP Funds- \$ \_\_\_\_\_

State Grant Funds: \$ \_\_\_\_\_; State Gas Tax Funds: \$ \_\_\_\_\_

Federal Grant Funds: \$ \_\_\_\_\_

Other funds (Specify source and amount):

General Insurance Fund 963-930101-6401 - \$ 11,000,000.00

Other Post Employment Benefits 984-930105-6401 - \$ 3,000,000.00

Other pass-thru funds (Specify source and amount): \$ \_\_\_\_\_

Originating Department:

APPROVAL:

|                     |                |        |            |        |
|---------------------|----------------|--------|------------|--------|
| Dept. Head:         | James Martin   | (4909) | (Initials) | (Date) |
| Elected Official:   |                |        | (Initials) | (Date) |
| Division Director:  | Mike Swift     | (4449) | (Initials) | (Date) |
| CIP – A&F Director: |                |        | (Initials) | (Date) |
| Finance Dept.       | Raymond Pipkin | (3174) | (Initials) | (Date) |
| County Attorney:    | Mary Bright    | (4963) | (Initials) | (Date) |
| CAO/Mayor:          | J M Huntzicker | (4514) | (Initials) | (Date) |